NETCENTS-2 Update & Technical Overview
AFITC – 31 Aug 2011

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Current NETCENTS Contract Today

- **A multiple award ID/IQ contract - network-centric information technology, networking, and telephony products, services, and solutions**
    - **$9B ceiling ($7.2B spent to date)**
    - **Awarded to 4 Large and 4 Small Businesses**

- **Ordering History**
    - **Approx $1B a year in task orders**
    - **Orders are ~ 80% products**
    - **Dollars : ~ 28% products, 44% products/services, 28% services**

- **Mandatory use memo issued by AF-CIO (27 Jan 05)**
    - **IG Write-up on lack of Governance of policy & waivers**
- **Ordering Period extended until Sept 2012**
- **Performance Period extended through Sept 2014**

Mostly terrestrial Combat Support Network & Telephony h/w, s/w, solutions

Transition to NETCENTS-2

Critical Success Factors	How Met in NETCENTS	Improved in NETCENTS 2
1. Ease of Use/Web Based Ordering	Traditionally used NETCENTS Portal accessed via AFWAY	AFWAY2 (Oracle e-Business Suite)
2. Easily Understood Terms and Conditions	Excellent	Keep, but separate Small Business language from Full and Open
3. Cost/Price Discounts	Discounts achieved from OEMs, good pricing competition at T.O. level; however multiple layers and associated costs exist	Separate products from services to reduce overhead costs associated with product only purchases
4. Oversight and Governance	-Mandatory use policy from SAF/XC -Recently enhanced oversight of decentralized orders by adding resources and updating processes	-Work with SAF/A6 to update mandatory use policy -Ensure resources are in place to provide oversight of contract
5. Small Business Strategy	-Chose NAICS code based on top down guidance - Had full and open competition of which 4 out of 8 awards were small businesses	Break out products & services areas; create more small business opportunities
6. Strategic Partnership	With 8 Primes covering entire scope of products and services, sometimes difficult to get to actual product or services vendors directly	Break out products & services by markets so that government personnel can form strategic partnerships with contractors directly (45-65 Primes)

Keep cost savings; transition focus to address efficiencies & operational risks

Background: Strategy Framework

#	Title of Acquisition Category	Type of Competition	Est. # of Awards	Pd of Period	Ceiling (in $B)	NAICS
#1	Netcentric Products	Full and Open	6-9	6 yrs	6.90	334210
#2	NETOPS & Infrastructure Solutions	Full and Open	6-9	7 yrs	7.91	517110
#3	NETOPS & Infrastructure Solutions*	Small Business Only*	6-9	7 yrs	5.39	517110
#4	Application Services	Full and Open	6-9	7 yrs	.96	541511
#5	Application Services*	Small Business Only*	6-9	7 yrs	.96	541511
#6	EISM (A&AS)	Full and Open	6-9	5 yrs	.46	541512
#7	ITPS (A&AS)	Small Business (SD Vets)	6-9	5 yrs	.71	541512

$24B in Requirements

NETCENTS-2 AWARDS

	2010				2011												2012					
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep

Products — CA (Mar 2012)

EISM — CA (Nov 2010)

NetOps (Full & Open) — CA (Apr 2012)

NetOps (Small Business) — RFP (Sep 2010), Receive Proposals (Nov 2010), CA (Aug 2012)

App Svcs (Small Business) — CA (May 2012)

App Svcs (Full & Open) — RFP (Oct 2010), Receive Proposals (Dec 2010), CA (Aug 2012)

ITPS — ON HOLD DUE TO RESOURCE CONSTRAINTS
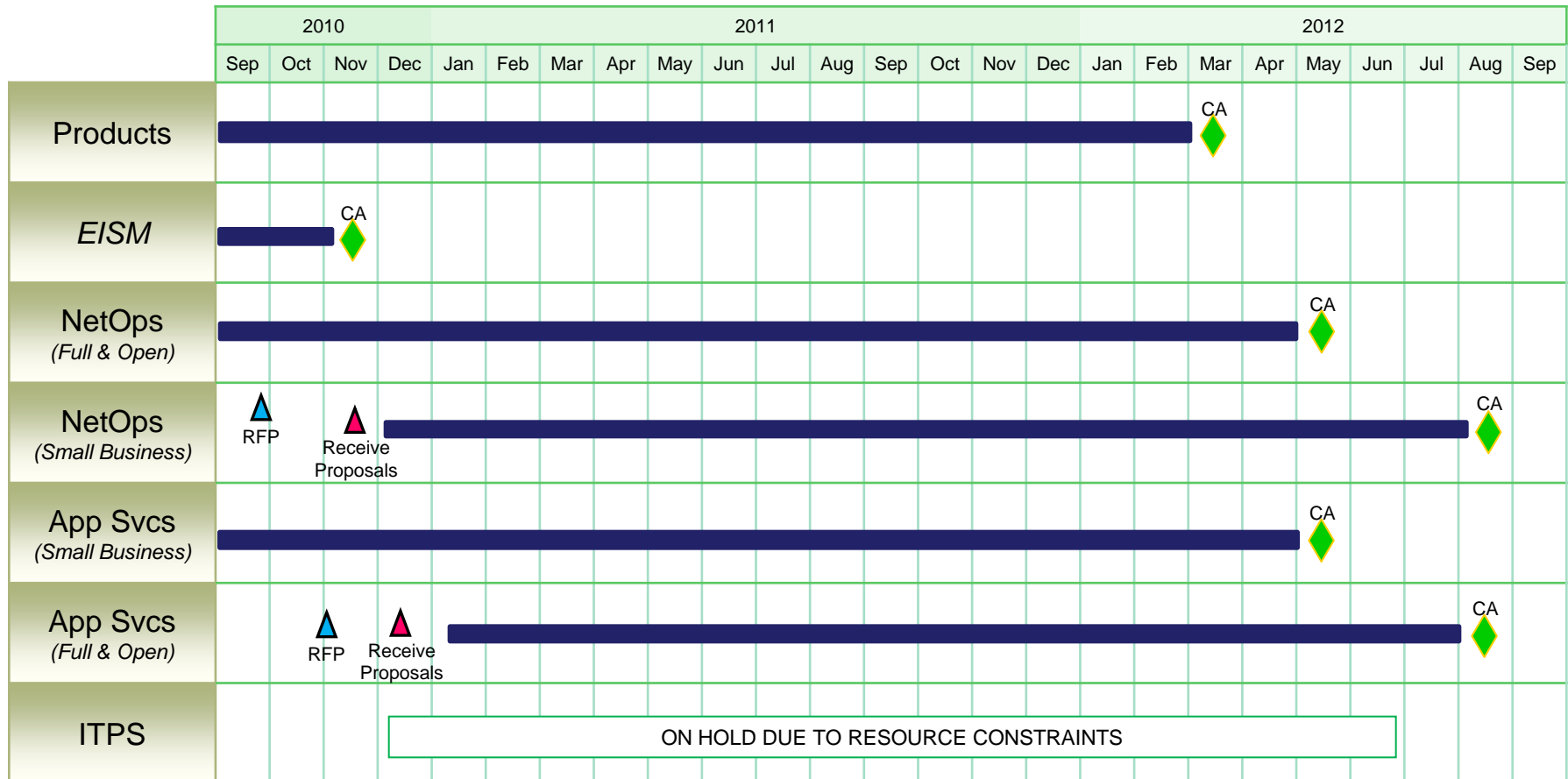
RFP – Request for Proposals   CRB – Competitive Range Brief to SSA   CA – Contract Award   MIRT – Multifunctional Independent Review Team
FPR – Request Final Proposal Revisions   SSD – Source Selection Decision   SSAC – SSAC Briefings   REN – Release Evaluation Notices

Background:
Some Key Strategy Elements

- ## Small Business (SB) Benefits
  - Two SB Companion contracts: NetOps and AppSvs
  - ITPS: set-aside for Service Disabled Veteran Owned Businesses
  - Non-set-asides require minimum 23% SB subcontracting
  - Possible $11B out of $24.2B available to SB

- ## On-Ramps
  - Required by acquisition strategy to provide opportunities to increase competition, respond to emerging technologies
  - PEO review/decision to hold an On-Ramp will occur lead time before planned awards
  - "Same" RFP process and evaluation criteria

Requirements Category Descriptions

Category	Description
Netcentric Products (COTS Only)	**Networking equipment, servers/storage, peripherals, multimedia, software (shrink wrapped), identity management/biometric hardware and associated software, delivery, warranty, maintenance**
NETOPS & Infrastructure Solutions	**Network mgt/defense/operations, SOA infrastructure, enterprise level security/mgt and implementation/ops, Telephony infrastructure and services**
Application Services	**Systems sustainment/development, migration, integration and netcentric data services, web services, COTS integration, Smart phone apps**
Enterprise Integration & Service Management (EISM)-A&AS	**Services to enable enterprise integration service management support for both infrastructure and mission capabilities (enterprise level support)**
IT Professional Support & Engineering Services-A&AS	**IT Program Management Support and Engineering Services (program level support)**

NETCENTS-1 did not address App Services/SOA, Biometrics, A&AS

Enabling IT Transformation

Issue #1: No central **visibility** of billions of dollars of annual USAF IT spend

Resolution: Manage $24B worth of (mandatory) IT requirements
- Data input via AFWAY-2 procurement system as part of acquisition
- Requirements documented to include reports on "who" is purchasing "what"
- Data provided to strategic leaders to make strategic sourcing/IT enterprise decisions and to decrease amount of dollars wasted on duplicate or outdated products & solutions & services

Issue #2: No **control** of billions of dollars of annual USAF IT Spend

Resolution: Use AFWAY-2 to flag certain acquisitions and report to appropriate level of IT governance if non-compliant PRIOR to releasing RFP to industry.
- Provide current IT policy and guidance in central location (on-line User Guide)
- Look for acquisitions of "Baselines"; "Web 2.0"; "Managed Services"; "Cloud Computing"; "Identity Management/Biometrics";
- Visibility and reporting at AF level, MAJCOM/A6 level

Use of NETCENTS-2 is for Mandatory for USAF except ITPS

Enabling IT Transformation

Issue #3: No inclusion of **critical engineering requirements** in many current IT acquisition contracts/task orders (focus often on functional requirements)

Resolution: Create standard task order templates and centralized guidance
- Task Order templates to include language and guidance for IPV6, FDCC compliance, Systems Engineering, Enterprise Architecture, Security, Remanufactured/Refurbished/Gray Market Equipment, Counterfeit Products, Deficiency Reporting; Web Services; Information Assurance; Supply Chain Risk Management; Data Rights; Trade Agreement Act (TAA); Energy Star;

Issue #4: No contracts for **stovepiped** solutions. Separate the Applications (Content Generation) from the Infrastructure (Content Delivery)

Resolution: NETCENTS-2 contains separate IDIQ contracts with pools of qualified vendors to provide distinct Applications and Infrastructure solutions.
- Deliver small reusable applications (such as Smart Phone Apps)
- Flexible & rapid delivery of capabilities
- Scope covers enterprise level solutions (such as E2E security)
- Focus on both legacy and future states simultaneously
- Capabilities are built using lightweight services and applications independent of infrastructure

Enabling IT Transformation

Issue #5: No **enterprise standards** in many current IT acquisition contracts/task orders—leads to non-compliant solutions

Resolution: Ensure updated standards, required protocols, and policies are in contracts, templates, User's Guide

- Examples: DoD IT Standards Registry (DISRonline), AF iTRM, AF Architecture Repository System (AFARS), AF IT Standards Council (ISC), AF SRM TRM process, Net Centric Checklist Modular Open Systems Approach (MOSA) Net-Ready Key Performance Parameter (NR-KPP), C2 Enterprise Reference Architecture (C2ERA), Node Information Services (NIS), Net-Centric Enterprise Solutions for Interoperability (NESI); AF CIO Policy on Web Standards
- Supports acquisition of common IT Infrastructure (network infrastructure, hosting environments, and middleware)

Enabling IT Transformation

Issue #6: Meet "**speed of need**" requirements

Resolution: Use standard PWS templates, well defined standards, repeatable processes, pre-qualified vendors, leverage overarching ID/IQ contract to accomplish faster, more flexible Task Order level acquisitions, reduce acquisition lifecycles

- FAR Part 16 ID/IQ level task order acquisition processes instead of full blown FAR Part 15 acquisitions
- Simplified Acquisition Procedures (SAP)
- Leverage past performance evaluation done at ID/IQ level
- Reduce reviews (MIRTS) for Acquisitions > $50M

NetCentric Products

Networking Equipment.

The contractor shall provide networking equipment such as *network devices, appliances*, switches, hubs, gateways, routers, firewalls, bridges, repeaters, wireless networking devices, *microwave radios (data, voice, video), Land Mobile Radios (LMR), satellite communications terminals*, adapters, associated cables, interface cards, multiplexers, Voice over IP (VoIP), modems, cabinets, converters, test equipment *(including, but not limited to, sensors, probes, data collectors, and user emulation analysis tools)*, proxies, network security appliances and Global Positioning System (GPS) timing systems.

Engineering & Installation is NOT on the Products Contract

NetCentric Products

Servers/Storage.

The contractor shall provide network servers, such as low-end servers (tower, rack-mount), medium-end servers (tower, rack-mount, blade), high-end servers (tower, rack-mount, blade), operating systems including, but not limited to, Exchange Server; Microsoft SMS Server; Windows Server; Linux Enterprise; *Red Hat Linux Enterprise*; Open VMS; Unix; Unix; Netware; Solaris; Unixware/OpenServer; VMware; Network Attached Storage (NAS), Storage Area Networking (SAN) devices; hard drive/tape drive array, external hard drives, optical drives, CD, DVD, *Tape Storage Media;* portable storage devices, and various JBODs (Just a Bunch of Disks/Drives) configuration. Unless modified by delivery orders, *all Microsoft network infrastructure role-based servers,* including File Servers, Print Servers, Outlook Web Access Servers, Exchange Servers, SharePoint Servers and SQL servers.

Must use ITCC BPAs and ESI if applicable

Peripherals.

The contractor shall provide any components that directly support the proposed platforms such as various processors with different clock rates, memory modules and upgrades, video cards, network interface cards, interface adapter cards, expansion bay, internal cables, processor/motherboard upgrades, ***keyboard/mouse,*** memory cards, power strips, USB hubs, card readers, speakers, external connection cables, expansion chassis, monitors, power adapters, ***Wi-Fi adapters***, faxes, printers, scanners, peripherals (including monitors), ***Uninterruptible Power Supplies (UPS***), Power Distribution Units (PDU), Surge Suppressors, power strips, USB hubs, card readers, computer speakers, touch pads, data terminals, ***cameras (Web, Network, Wireless),*** power adapters/cords, antennas, computer switches, Keyboard/Video/Mouse (KVM) ***switches,*** printers (multi-function, laser, inkjet, color/BW, line matrix, plotter), scanners, standard and ***touch-screen monitors***, keyboards/mice, port replicators, computer (display/input) terminals, disc back-up and ***replication equipment***, message archivers, patch panels, warranty variations, and operating systems/licenses when not covered or provided under other existing Government enterprise agreements.

Multimedia.

The contractor shall provide all types of multimedia devices, such as multi-functional, standalone displays (e.g., plasma screens, HDTVs), video devices, DVD/VCR players, Video Teleconferencing (VTC) equipment (projectors, speakers, microphones, video converters/transmitters, etc.), text devices, audio devices, devices that produce still images, animation, video, and interactive media.

Software.

The contractor shall supply commercial software products, sold independently of hardware, related to netcentric mission areas such as Network Management, Network Defense, Server Virtualization, Collaboration, Security, Geo-based, E-learning, Database Performance Tuning, Database Warehousing, and Web Development. ***Other types of software required may include, but not be limited to,*** storage, database, messaging, backup/recovery, archiving, compliance, provisioning, patch management, asset management, data visualization, business analytics, information assurance and development tools, and Virtualization software management tools.

NetCentric Products

Identity Management/Biometric Hardware and Associated Software.

The contractor shall supply identity management/biometric products and associated software, such as Electronic Fingerprint Images, Iris Images, Face Recognition, Hand Geometry, Speaker Recognition (telephony based and web based), Multi-modal Biometric Jump Kit, Smart Card Reader (fingerprint), Fingerprint Reader, Palm Vein Authentication, and Public Key Infrastructure (PKI) / Common Access Card (CAC) devices.

Must comply with DoD Standards – BIMA Website

Products.

The contractor shall provide all products, peripherals, and associated peripheral equipment as required by each individual delivery order. The "products" are commercial items as defined by FAR 2.101. ***All documentation, software, and user guides that are commercially packaged with the product shall be provided to the Government.***

Product Delivery Capability.

The contractor shall deliver the quantities of Network-Centric products to meet ordinary as well as fluctuating (war-time, Terrorist Tempo, Ops Tempo) government requirements in accordance with prescribed delivery schedules stipulated in individual delivery orders. Delivery of products will be to CONUS, OCONUS, and remote locations as identified below. For AOR's and/or remote sites that do not permit commercial deliveries, the vendor's delivery capabilities must be in accordance with AFI 24-203, Preparation and Movement of Air Force Cargo, 13 April 2007.

Product Delivery Capability (cont)

Definitions:
CONUS: The 48 contiguous states, Alaska, Hawaii, and the District of Columbia.
Named OCONUS: Germany, Italy, Japan, Korea, Belgium, Turkey, Puerto Rico, United   Kingdom, and the Netherlands.
Remote OCONUS: those locations that are not listed under CONUS or Named OCONUS.

The following table sets forth the performance parameters for deliveries:

Timeframe	CONUS	OCONUS	Remote OCONUS
Routine	NLT 30 calendar days	NLT 45 calendar days	NLT 45 calendar days
Critical	NLT 3 calendar days	NLT 5 calendar days	NLT 10 calendar days
Emergency/War Tempo	Within 24 hours	Within 48 hours	Within 72 hours

NetCentric Products

Other requirements addressed:

• **Delivery Delays**
• **Items on Backorder**
• **Installation (if included commercially – DD form 2254)**
• **Warranty**
• **Customer Support -** The *prime contractor shall provide 24x7 live telephone support during the warranty period* to assist in isolating, identifying, and repairing software and hardware failures, *or to act as liaison with the manufacturer in the event that the customer requires assistance in contacting or dealing with the manufacturer*.
• **Product Maintenance -** maintenance and upgrades to include spares/parts
• **Special Asset Tagging -** When required and defined by the Delivery Order, the contractor shall provide special asset tags IAW DODI8320.04, Item Unique Identification (IUID) Standards for Tangible Personal Property, to include Unique Identification (UID) tagging requested by non-DoD customers.

Other requirements addressed:

•**Radio Frequency Identification (RFID) -** When required and defined by the Delivery Order, the ***contractor shall provide RFID tagging IAW DoD Radio Frequency Identification (RFID) Policy, 30 July 2004 or most current version***. RFID tagging is mandatory for deliveries that are major end items (items with an acquisition cost of $5000 or more) delivered to the sites identified in Attachment 3 of the RFID policy; and all shipped cases, pallets, and items with a UID tag.

•**Software Tagging -** When required and defined by the Delivery Order***, commercial off-the-shelf software items shall support International Standard for Software Tagging and Identification, ISO/IEC 19770-2, Software Tags*** when designated as mandatory by the standard.

•**TEMPEST Requirements -** TEMPEST is the codename referring to investigations and studies of compromising emanations. When required and defined by the Delivery Order, the contractor shall provide commercially available TEMPEST-compliant communications and information processing devices.

NetCentric Products

• **Remanufactured/Refurbished Products -** Any product offering that is remanufactured or refurbished shall be clearly identified as such by the contractor. *Remanufactured products shall have the OEM or factory certification if available for that product*.

• **Trade Agreement Act (Clause)**

• **Supply Chain Risk Management (Clause)** Offerors were required to submit a standard form 328 in this volume at the time of initial proposal submission.

• **NOTE**: The user's guide will provide information to users in areas such as when/what the minimum buying standards/performance specs are; ties to APL & i-TRM, when/what product acquisitions are tied to configurations – "platform profiles", clear guidance on biometrics standards with DoD BIMA (Biometrics & Identity Management Agency), when "IA Enabled" requirements are applicable. The PMO will be able to provide Visibility/Control of Software Licenses/SW License Management and Spend Data for Strategic Sourcing decisions by MAJCOM or higher.

SCRM processes in place over the life of the contract

NetCentric Products

FAQ: If a customer requires a total solution (engineer & install network at AFB), does the customer have to purchase the hardware from the products contract and the services from another contract and do the integration themselves or from a third contract?

Answer: No. The NETCENTS-2 contracts (terms and conditions) are set up so that a solution provider from one of the solutions contracts (NetOps and Infrastructure Solutions or Application Services) must use the NETCENTS-2 NetCentric Products contract as the (government) source. This ensures visibility & control of all hardware purchases is maintained and it alleviates the burden on the customer to manage two task orders for one solution.

FAQ: Does the contract have a catalog – if so won't it become obsolete?

Answer: No. Requirements are given in RFQs at the time of the requirement. IT and netcentric products are covered in specific and general in the SOW.

Integrity - Service - Excellence

Enabling IT Transformation: (Services) User's Guide Appendices

Appendix	Acquisition Phase	Templates/Examples
A	Requirements Definition	NETCENTS-2 Mandatory Use Letter, Waiver Process, Waiver Letter Template
B	Requirements Definition	Requirements Package Checklist
C	Requirements Definition	Task Order Procedures
D	Requirements Definition	PWS Template and Clauses
E	Requirements Definition	Tips for Writing a Performance Work Statement
F	Requirements Definition	Sample Performance Parameters/Performance Metrics
G	Requirements Definition	TO Deliverables/Data Item Delivery (DIDs) Guide
H	Requirements Definition	Sample DD 254 Coordination
I	Requirements Definition	Independent Government Cost Estimate (IGCE) Guidance
J	Acquisition Planning	Fair Opportunity Exception Templates
K	Acquisition Planning	Fair Opportunity Exception Justification Templates
L	Acquisition Planning	Brand Name Justification Samples/Examples
M	Acquisition Planning	Evaluation Guidelines
N	Acquisition Planning	Quality Assurance/Performance Planning
O	Task Order Management	Quality Assurance Surveillance Plan (QASP) Templates
P	Task Order Management	Performance Assessment Report if CPAR not Used
Q	Task Order Management	DoD Warranty Guide Memo
R	Task Order Management	Guidance on ID/IQ Max Labor Rates
S	Task Order Management	NETCENTS-2 Requirements Approval Document (RAD) (Copy for File)

Readily available standards

Other information included in the guide itself – Roles and Responsibilities for Centralized & Decentralized Orders, Task Order Types, CLIN structures, Data rights, etc

NETCENTS-2 Services Contracts

FAQ: Will NETCENTS-2 let us reach highly qualified contractors?

Answer: Yes. NETCENTS has 8 awards. Most of the work is done by a subcontractor. NETCENTS-2 will have 55-75 awards. Most work will be done by the prime contractor. Market research and Industry Days led to the expectation that market leaders would be interested in proposing for work—including many "commercial" (non-traditional government) contractors.

FAQ: How will I know whether to use the Full and Open or the Small Business Companion when I have a requirement for NetOps and Infrastructure Solutions or Application Services?

Answer: The Requesting Agency doesn't make that determination but will have input based on their requirement such as size, complexity, dollar value, and market research. The Contracting Officer along with the Small Business specialist makes the determination.

NETCENTS-2 Services Contracts

FAQ: Can I require contractors to have a higher level of certification on my task order or delivery order than the NETCENTS-2 "umbrella" contract has?

Answer: No. If the requirement is ISO 9001:2008 or CMMI Level III, you can't ask higher.

FAQ: Can I choose a different NAICS code for my task order?

Answer: No. The companies already qualify for award based on the NAICS code determined on the specific contract.

FAQ: Does NETCENTS-2 cover emerging technologies and requirements such as cloud computing, SOA, mobile phone applications, E2E security?

Answer: Yes. The language may not be as specific as the latest buzz word or trend, but was written to support network, infrastructure, and application emerging technologies over the next 5-10 years.

Post Award Activities

Customer Focused:

- Ensure technical/engineering standards, policies,& standard language is kept up to date
- Review requirements for scope determinations
- Review waivers and provide written recommendation
- Collect, analyze and report category specific spend data from AFWAY-II
- Work AFWAY-II customer requirements
- Document metrics/performance thresholds and guidance for different requirements types (put in SDS portion of PWS templates)
- Assist customers in developing IGCEs and Evaluation approach
- Assist customers with Brand Name or Sole Source Justifications
- Assist customers with potential (technical) OCI concerns for their task order selection or among NC-2 contracts

Mandatory Use Policy

- Signed May 2011 by SAF/A6 and SAF/AQ

- "All new and ongoing Air Force appropriated fund (APF) acquisition efforts shall incorporate NETCENTS-2 into their acquisition strategy. Deviation from this policy will require written approval from the appropriate governance body"

- Does not apply to acquisition of embedded software/systems (e.g., Cryptography Modernization, JSTARS, AWACS), Nuclear Command & Control systems, hardware purchased under IT Commodity Council, Special Access Programs

Next Step: Include in next revisions of pertinent AFIs (63-124 & planned 33-XXX)

Enforcement of Mandatory Use

- **Governance is responsibility of AF CIO**
  - **Incorporation in AFIs, AFMANs**
  - **Activities of IT Governance bodies**
  - **Audits for verification**

- **Program support to enforcement**
  - **Persistent communication over life of the contracts**
    - **SAF/AQ & A6 e-mailings—every award will be an opportunity**
    - **Direct communication—VTCs, A6 visits, conference attendance (AFITC, AF Services Conference, GSA, NCMA)**
    - **Web site—http://public.gunter.af.mil/aq/NetCents/default.aspx**
  - **Customer Support Team**

**Keys: clear authority, senior involvement,
effective communication, adequate staffing**

Governance Structure

- **CIO Executive Council (3-Star/Strategic) -** advisory and support forum for the CIO; ensures AF IT Management decisions made with advice and support of senior leaders

- **CIO Board (General Officer/Operational) -** ensures that CIO responsibilities and strategic direction are properly executed and managed as defined within CIO statutory and regulatory authorities.

- **CIO Group (0-6/Tactical) –** provides entry point for review of Air Force IT investments and IT enterprise mission needs.
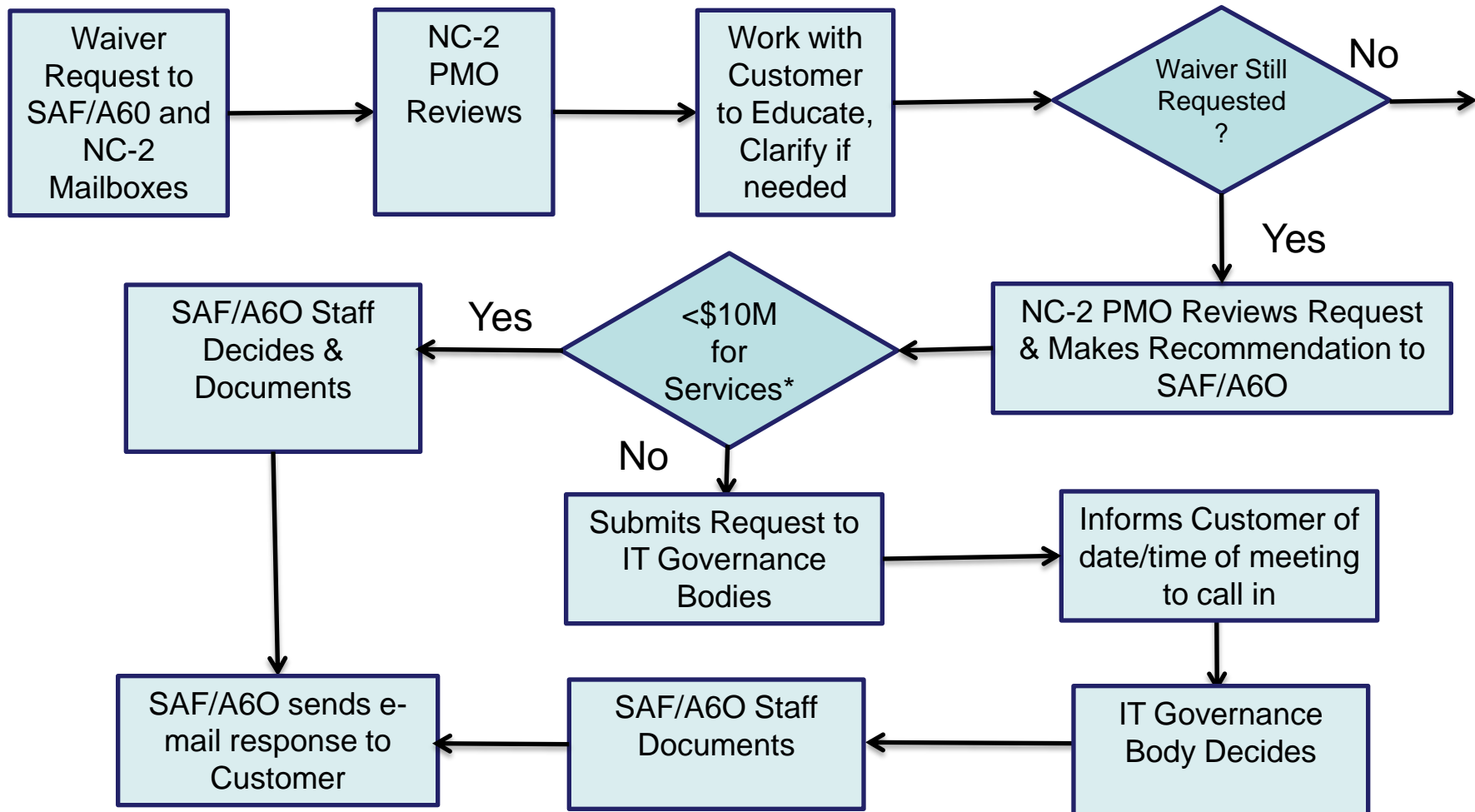
Waiver Process

Summarized from process overview attached to Mandatory Use Policy:

• User determines if waiver is required; i.e. requirement is not already a stated exception item

• User will use the provided template and document one of the stated rationale(s):

- • Mission Urgency

- • Cost

- • Host Nation Laws

- • Existing Options

- • Small Business Considerations

Waiver Process: Waiver requests will be submitted to the AF CIO staff (safxciworkflow@pentagon.af.mil) and monitored by the NETCENTS-2 Program Office (netcents2waiver@gunter.af.mil). The burden justify a waiver is the responsibility of the submitter.

Waiver Process

Waiver Request to SAF/A60 and NC-2 Mailboxes → NC-2 PMO Reviews → Work with Customer to Educate, Clarify if needed → Waiver Still Requested? — No →

Waiver Still Requested? — Yes → NC-2 PMO Reviews Request & Makes Recommendation to SAF/A6O → <$10M for Services* — Yes → SAF/A6O Staff Decides & Documents → SAF/A6O sends e-mail response to Customer

<$10M for Services* — No → Submits Request to IT Governance Bodies → Informs Customer of date/time of meeting to call in → IT Governance Body Decides → SAF/A6O Staff Documents → SAF/A6O sends e-mail response to Customer

OR *<$1M for Hardware/Products

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Summary

- **NETCENTS-2 will be a valuable tool for the USAF :**
  - **Reduce acquisition and contracting burden on technicians/warfighters**
  - **Leverage $$$ billions of dollars of USAF spend to procure IT and netcentric capabilities at the best price**
  - **Reduce risks and operational efforts in the areas of reliability, maintainability, interoperability, security, information assurance, systems engineering**
  - **Support agile acquisition practices**
  - **Support governance by being a mechanism to control acquisitions and ensure adherence to standards and baselines**

- **Need more information?**
  - **Find updates, FAQs, work statements, Mandatory Use Policy at:**
    http://public.gunter.af.mil/aq/NetCents/default.aspx
  - **Questions and requests for support can be sent to netcents@gunter.af.mil**